



Congressman Donald Payne

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Payne Insists on Results from the Millennium Challenge Corporation

Representative Donald M. Payne, Chairman of the Subcommittee on Africa and Global Health, convened a hearing today entitled "Millennium Challenge Account in Africa: Promise vs. Progress." The objective of the hearing was to examine the achievements and setbacks of the Millennium Challenge Account (MCA) in Africa since its implementation in 2004.

The MCA is a signature program developed by the Bush Administration which ties US assistance to accountability and responsibility by recipient countries. Based on the premise that free market economic policies and democratic principles allow sustainable economic growth to flourish, the Millennium Challenge Account is a competitive selection process that funds nations' economic growth and poverty reduction initiatives. The Millennium Challenge Corporation (MCC), manager of the MCA, has the duty of selecting eligible countries, allocating funding and overseeing approved program proposals – also referred to as MCA Compacts. To date, nineteen of the forty eligible countries are on the African continent. With the recent additions of Lesotho and Mozambique, seven African countries have approved MCA Compacts, which is over half of the thirteen compacts approved thus far. Of the \$3 billion obligated for the compacts around the globe, African countries are set to receive over \$2 billion.

However, those figures belie the fact that dramatic progress has not been made. According to the Government Accountability Office, an independent and non-partisan investigative arm of the US Congress, it has taken almost two years for countries to develop and enter into compacts with the MCC. Moreover, the signing of compacts does not equate to an immediate payout of funds. In fact, African countries have received only 23% of the MCA's planned disbursements. Furthermore, there is uncertainty as to whether a significant portion of the money spent on compacts has been used to fund intended projects. Payne warned, "Sooner or later, we may find that we are losing credibility in regards to delivering on the promises of the MCA."

Congressman Payne, during the hearing, also addressed the issue of appropriated funds that have gone unspent. Since its inception, Congress has appropriated approximately \$6 billion to the Millennium Challenge Account with an additional \$1.8 billion allocated for Fiscal Year 2008. However, with a constrained budget and a slightly over 50% disbursement rate, Payne and other Members of Congress want to see the MCC improve upon the mechanisms that deliver monetary contributions to eligible countries.

"While I believe that we need to give this new initiative a chance because of what it could mean to African countries, it is important that the MCC begin showing results," stated Payne. "Other programs are suffering from shortages while money appropriated to the MCA remains unspent. We've got to make this work better."

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